

## Message Text

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43

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 IO-15 EB-11 COME-00 STR-08 FCSC-01

TRSE-00 INT-08 SCS-03 SCA-01 EURE-00 DRC-01 /164 W

----- 079438

P R 271544Z SEP 73

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC PRIORITY 5175

INFO AMEMBASSY WARSAW

C O N F I D E N T I A L PRAGUE 2310

WARSAW FOR JOHN BAKER

E.O. 11652: GDS

TAGS: PFOR, EFIN, L/C, CZ

SUBJECT: CLAIMS NEGOTIATIONS

REF: PRAGUE 2278, WARSAW 5015

1. WE APPRECIATE SUPPORT FOR PROPOSAL THAT  
POSITION ON SURPLUS PROPERTY PAYMENTS BE ADJUSTED TO ASSIST  
IN OBTAINING SATISFACTORY LUMP-SUM SETTLEMENT.

2. WE CONSIDER THAT SUGGESTIONS FOR FALLBACK (WARSAW 5015)  
CAN BE USED AS STEPS IN FURTHER NEGOTIATIONS. HOWEVER, WE  
BELIEVE THAT ONLY TRULY REALISTIC POSSIBILITY OF GAINING  
ADEQUATE EFFECT IN THIS, OUR ONLY AREA FOR CONCESSION, LIES  
IN OFFERING MAJORITY OR TOTAL PAYMENT IN CZECH CROWNS OR  
PROPERTY. MORE SPECIFICALLY, WE WOULD FORESEE AN OFFER  
THAT US WOULD ACCEPT PAYMENT OF BOTH PRINCIPAL AND INTER-  
EST AT PREFERENTIAL RATE, STIPULATED THAT WE COULD DRAW  
AMOUNTS WITHOUT TIME LIMITATION AND FOR USE FOR US GOVERNMENT  
ACTIVITIES. THIS LATTER, WE WOULD EXPECT, WOULD INCLUDE NOT  
ONLY EMBASSY EXPENSES (INCLUDING PURCHASE OR LEASE OF PROPERTY)  
BUT SUCH OTHER ACTIVITIES AS ARE PURSUED IN POLAND OR YUGO-  
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SLAVIA UNDER VARIOUS SURPLUS CURRENCY PROGRAMS, E.G. US-

SPONYGPED RESEARCH, EXCHANGES, OFFICIAL TRAVEL.

3. WHILE WE REALIZE THAT ACTUAL PERIOD OF REPAYMENT IN CROWNS CANNOT NOW BE PROJECTED, NEVERTHELESS ANY OFFER WHICH STIPULATES PAYMENT IN DOLLARS, EVEN IF DEFERRED, WOULD NOT DIFFER SIGNIFICANTLY FROM TERMS WE ARE PREPARED TO OFFER ON LUMP-SUM. THIS IS NOT TO ARGUE THAT WE ARE NOT ENTITLED TO PAYMENT AS NOW DEMANDED BUT THAT, IF WE ARE TO OFFER A CONCESSION, IT BE SUCH AS TO MAXIMIZE CHANCE OF ACHIEVING DESIRED RESULT.

4. IN THIS CONNECTION, WE TODAY TABLED US PROPOSAL ON PAYMENT TERMS FOR PRINCIPAL SUM (SEPTIL). CZECH REACTION WAS, PREDICTABLY, TO ASK IN SURPRISE WHY CZECHS ARE TO BE EXPECTED TO PAY IN SMALL FRACTION OF TIME PERIOD OFFERED HUNGARIANS OR POLES. IN PRIVATE CONVERSATION AFTERWARD, CANTOVSKY PREDICATED THAT THIS DEVELOPMENT WOULD HARDEN HIS GOVERNMENT'S POSITION ON LUMP-SUM, WITH OFFICIALS ASKING WHERE TO FIND ADVANTAGES TO GO WITH DISADVANTAGES OF WHICH WE HAD EARLIER SPOKEN.

5. DEPARTMENT WILL SURELY KNOW THAT WE ARE NOT ACCEPTING CZECH ASSESSMENT IN DISCUSSIONS. HOWEVER, BASIC CHANGE IN SURPLUS PROPERTY POSITION WOULD LEND SUBSTANCE TO OUR REJECTION OF ZANTOVSKY'S CHARACTERIZATION OF US POSITION AS "TAKE IT OR LEAVE IT."  
WORTZEL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Draft Date:** 27 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** cunninfx  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Status:** NATIVE  
**Subject:** CLAIMS NEGOTIATIONS  
**TAGS:** PFOR, EFIN, CZ  
**To:** STATE  
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